

REMARKS

Responsive to the Office Action dated August 27, 2003, Applicants request reconsideration of the rejections in view of the following remarks.

Status of the Claims

Claims 24, 29, 30 and 34 are amended. Claims 1-39 are pending.

Each of these claims stands rejected under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 6,016,483 (Rickard) in view of U.S. Patent No. 5,963,923 (Garber). In addition, claims 1-39 stand rejected under 35 U.S.C. § 112, ¶ 2, “for failing to precisely claim what applicant regards [as] the invention.”

Amendment to the Claims

Claims 24, 29, 30, and 34 are amended to add the term “automatically.” No new matter has been added.

The Rejection Under Section 112

Applicants respectfully request withdrawal of the rejection under 35 U.S.C. § 112, ¶ 2. The only basis provided for this rejection is that the “claims are too broad to adequately distinguish what applicant considers novel vis a vis the existing art.” However, this is an improper basis for rejecting claims under Section 112. The relevant inquiry under Section 112 is whether the claims have sufficient clarity and precision to enable a person to determine what is being claimed and what is not being claimed. See Manual of Patent Examining Procedure (“MPEP”) § 2173.

Breadth of a claim is not to be equated with indefiniteness. If the scope of the subject matter embraced by the claims is clear, and if applicants have not otherwise indicated that they intend the invention to be of a scope different from that defined in the claims, then the claims comply with 35 U.S.C. 112, second paragraph. Undue breadth may be addressed under different statutory provisions, depending on the reasons for concluding that the claim is too broad. MPEP § 2173.04.

The Office Action does not identify any claim language that is allegedly unclear or ambiguous, merely that the claims are considered “too broad.” Because mere breadth is not a proper basis of rejection under Section 112, as the MPEP makes clear, the rejection of claims 1-39 under Section 112 is improper and should be withdrawn.

The Rejection Under Section 103

Applicants respectfully traverse the rejection of claims 1-39 under Section 103. Claims 1-39 relate to an automated trading system or an automated trading method. Neither Rickard nor Garber disclose automated trading.

Rickard is directed to a computer-based system for determining opening prices for options in an options exchange. It does not disclose automated trading of the options, as in the present invention. For example, Rickard states that delta and gamma values are used by option traders, but does not mention using delta or gamma values for automated trading. More particularly, Fig. 1 of Rickard illustrates a system architecture including an exchange controller 2 linked to market maker terminals 4-10. “Each market maker terminal includes one or more input/output devices that allow for the entry of orders and current and desired positions and can display output, such as opening volatilities and public orders assigned to the market makers.”

Col. 8:61-65. Again, Rickard makes no mention of automated trading, but instead provides structure for trading in response to human inputs. Moreover, Rickard is primarily concerned with the exchange management task of setting the opening prices for options in the exchange.

Garber is directed to a system and method for linking a rolling spot currency contract with a principle market maker program. Col. 7, line 51-col. 8, line 32 describe an electronic currency exchange served by a rolling spot currency market maker computer. The rolling spot currency market maker computer interfaces with an options market maker to buy and sell options to neutralize inventory risk. The system described in Garber does not make automated buy/sell decisions based on received prices and value calculations, but rather to neutralize inventory risk. Fig. 7 shows that the workstation executes trades responsive to the trader touching the trading screen. Also, the description of the workstation of Fig. 8 indicates that “[t]he trade is initiated preferably using a pointing device (not show) and a keyboard (not shown).” Garber thus describes trading involving human interaction, not automated trading.

Claims 1-23 are directed to an automated trading system. As noted above, neither Rickard nor Garber relate to automated trading. In particular, neither Rickard nor Garber teach or suggest, for example, “decision logic using at least a portion of the received market price information and the transaction value to generate a decision whether to submit a response to buy or sell the first traded item.” As discussed above, trading disclosed in Rickard and Garber is done by a human trader. There is no “decision logic” as recited in independent claim 1 disclosed in either reference. Thus, even if Rickard and Garber were combined, the combination would

not teach or suggest each of the limitations of independent claim 1. Moreover, it is improper to combine Rickard and Garber to construct the invention of claim 1. Rickard teaches a method of for setting opening prices of an options exchange having multiple market makers. Garber describes a rolling spot currency market with a primary market maker. Only through hindsight can Rickard and Garber be combined to construct the subject matter of claim 1. For these reasons, the rejection of independent claim 1 under Section 103 should be withdrawn.

The Office Action does not specifically address the limitations of dependent claims 2-23, which includes features not taught or suggested by Rickard or Garber. The rejection of claims 2-23 under Section 103 should be withdrawn.

Claims 24-39 relate to methods of automated trading. As above, neither Rickard nor Garber teach or suggest the automated trading recited in claims 24-39, nor would it have been obvious to combine Rickard and Garber to construct the methods of these claims. Accordingly, the rejections should be withdrawn.

Conclusions

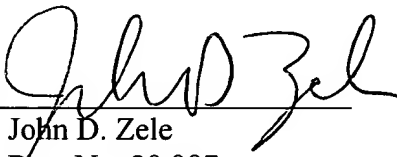
Applicants respectfully submit that the claims are in conditions for allowance and request favorable action.

Except for issue fees payable under 37 C.F.R. 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application including fees due under 37 C.F.R. 1.16 and 1.17 which may be required, including

any required extension of time fees, or credit any overpayment to Deposit Account No. 50-0310.

This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. §1.136(a)(3).

Respectfully submitted,
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